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7 Defendant within Adv. Case  
8 (Guarantor and pro se),  
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**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**OAKLAND DIVISION**

Kyle Everett;

Plaintiff,

v.

Pacific Thomas Corporation, dba Pacific  
Thomas Capital, dba Safe Storage,  
Debtor.

**Case no. 12-46534**

**Chapter 11**

**DECLARATION of Dean L. Keller**

Date: June 27, 2013

Time: 11:30AM

Place: Courtroom 215, 1300 Clay Street,  
Oakland, CA

Judge: Hon. M. Elaine Hammond

I, Dean L. Keller, declare as follows:

1. I am the principal broker with Bancap Self Storage Group, Inc. of Rancho Santa Margarita, California, a corporate licensed real estate broker in the state of California.

- 1           2.     I am the President and Co-Founder of Bancap Self Storage Group, Inc.
- 2           3.     I have been a California licensed broker since 1981 and I specialize exclusively in
- 3                 self storage investments.
- 4           4.     I have sales transactions amounting to nearly \$1 billion in my career as a broker of
- 5                 self storage facilities.
- 6           5.     I am also an experienced self storage owner and operator.
- 7           6.     I have been engaged as an expert witness and consultant for legal cases related to
- 8                 self storage and have provided testimony for self storage related cases.
- 9           7.     I have been an active member of the several self storage industry associations,
- 10                 including Conference Chairman of Self Storage Association (SSA), a founding
- 11                 Charter member and current Board of Director member of the California Self
- 12                 Storage Association (CSSA) and a founder and past Chairman of both the
- 13                 Southern California and Northern California Storage Owners Network (SON).
- 14           8.     I recently served as an advisor in the sale of a \$200MM portfolio of 50+ self
- 15                 storage sites for one of the largest self storage chains in the industry.
- 16           9.     I am familiar with the Pacific Thomas Corporation self storage property known as
- 17                 Safe Storage. I have reviewed appraisals and financials and provided market
- 18                 condition information to Pacific Thomas management within past 3 years.
- 19           10.    As of Wednesday, June 12th, 2013, I found the Debtor's subject property, SAFE
- 20                 STORAGE, listed for sale on the LoopNet commercial real estate website. Price
- 21                 was not disclosed, but the "Cap Rate" was shown as 6.75 % and the website
- 22                 suggested to make an offer to purchase.
- 23           11.    Broker shown representing property was a Brian Collins of CCIG Group in
- 24                 Oakland, California. I have not known Mr. Collins to be a self storage broker or
- 25                 an industrial broker with self storage sales experience. I have never previously
- 26                 heard of CCIG group having any involvement within the self storage industry
- 27                 associations.
- 28

12. Broker Brian Collins appears to not be paying an outside broker any “co-operating” brokerage fee – which immediately highlights that no outside brokers will likely be participating with this transaction since no financial incentive allows for sharing the brokerage commission. I believe this may limit the exposure and ability for the property to achieve the highest and best value.
13. Several reasons exist as to why any self storage property owner should utilize an experienced self storage specialist broker:
- a. First of all, a non self-storage, non specialized broker likely will have **no experience in how to PRESENT the information** in a way that is **attractive, desirable and most useful for self storage investors**. Self storage is definitely a **unique and different type of property with unique characteristics**. There are hundreds of tenants in one facility and **numerous property and operational issues that are different** with self storage as compared to all other types of real estate. Someone who does not understand the business cannot possibly **market and present the property information in a way that adds value and generates the best offers**.
  - b. In negotiations, a non self-storage specialized broker cannot **add any value** because they do not **know the key decision-makers** nor **the issues specific to self storage**. They do not know what **certain buyers can or cannot do** in a transaction and they do not know what their **“hot buttons”** are to gain a better sales price.
  - c. Because they have no history or future with the self storage buyers, they will not be able to gain **valuable insights into their thinking during negotiations**. Also, because there are no **relationships**, buyers will know they can “get away” with more with any rookie self storage sellers. Because of **long-term relationships** with **most all active buyers**, and because they want to **maintain a good relationship** with self storage specialists, they **will not try to “play games” with a specialist or do anything to mar their good reputations in the industry**

1 d. There are certain aspects of a self storage sales transaction that can result in  
2 many headaches and/or disputes later if they are not handled properly upfront.  
3 For example, the prorations of hundreds of tenants, delinquent rents, late fees, etc.  
4 etc. A specialty self storage broker knows what to do to avoid problems and save  
5 thousands of dollars later in the transaction.

6 14. Because of my first-hand knowledge and on-going relationships with the most  
7 active and aggressive buyers, I am able to promote "bidding wars" for  
8 properties – even though they all say they do not want to be in a bidding war for a  
9 property. Once again, because self storage specialist brokers understand the  
10 product and industry so well, they can help the buyers see additional value  
11 and reasons to increase their offers.

12 15. Current market conditions for institutional quality self storage properties in core  
13 markets indicate that some properties can now sell at or below 6% capitalization  
14 rates. Many investors utilize capitalization rates as the primary market condition  
15 barometer, especially those facilities within the major metropolitan markets and  
16 comprised of institutional size and character. (Note: the subject property is being  
17 listed at 6.75% which could be 100 basis points higher than may be attainable in  
18 today's market).

19 16. I was not made aware of this property being offered for sale until it appeared on  
20 the general commercial real estate listing service. Most self storage properties of  
21 similar size and markets are also promoted to the self storage brokerage  
22 community to provide the widest exposure possible and make sure everyone is  
23 aware of the property to be marketed for sale.

24 Defendant certifies that the foregoing is true and correct to the best of my knowledge and belief.

25 Dated: June 13, 2013 Executed at : \_\_\_\_\_ Rancho Santa Margarita, California

26  
27 By:  \_\_\_\_\_  
28

## **Dean L. Keller**

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### ***Summary of Qualifications***

**Bancap Self Storage Group, Inc.**  
President and Co-Founder

**Real Estate Broker**

California licensed since 1981; Specializing exclusively in self storage investments  
Top self storage broker in the country.  
**Nearly \$1 billion in completed self storage sales**

**Self Storage Owner/Operator**

General Partner, limited partnerships owning & managing self storage properties

**Consultant & Expert Witness**

Various assignments including market studies, "turnarounds", valuation reports, marketing, on-site operations, etc. Analysis and testimony provided for self storage related cases

**Trade Affiliations**

**Self Storage Association (SSA)**

National Conference Chairman, San Diego - October 1994  
Vice President, Western Region Board of Directors - 1989-90  
Association Conferences/Workshops - Chairman, Speaker, Moderator, Exhibitor

**California Self Storage Association (CSSA)**

Founding Charter Member - 2002, Board of Directors - 2011 to Present

**Storage Operators Network(s), Southern California & Northern California**

Founding Member and Past Chairman of each

**Storage USA** (NYSE traded REIT until purchased by GE Capital) - Self Storage Advisory Board

**Industry Trade Journals & Publications**

Featured, interviewed or quoted in all trade journals including ***Mini Storage Messenger***,  
***Self Storage Journal & Inside Self Storage***  
***Mini Storage Messenger*** - Editorial Advisory Board  
Profiled in "Young Guns of Mini Storage", ***Mini Storage Messenger***, February 1989  
Feature Interview, ***Inside Self Storage***, August 1993  
Contributing Author - ***Best Practices of the California Self Storage Association***, 2012

**Self Storage Database**

Developed & maintain detailed information on over 4,000 storage projects  
Contains virtually every self storage facility in California

**Publisher/Editor**

***Bancap Self Storage Report***

Newsletter distributed to several hundred owners of self storage properties  
Published reports on various topics including rental rates, local market conditions, properties for sale, rent discounting, industry trends, etc.

**University**

California State University, Long Beach - Bachelor of Science, Business Administration  
Specialization in Business Computer Methods, International Business

**Community Service**

Past President / Founder - Rotary Clubs of Coto de Caza & Rancho Santa Margarita  
Board of Directors - Education for the Children, YMCA and numerous other charities

**Bancap  
Self Storage  
Group  
is the  
#1  
Broker  
of  
Self Storage  
Properties  
in  
California**

✓ **There is Only One**

Only one brokerage company can honestly say they have been **committed exclusively to selling self storage** properties in California for **over 25 years**. With an unmatched track record of success dating to the youth of the industry, Bancap Self Storage Group is the only firm that can truly claim to be the **#1 Self Storage Broker in California**.

✓ **Nearly \$1 Billion in Completed Sales**

With **experience and expertise unmatched** in the industry, we have brokered properties in virtually **every market** in the state and in every price range – from **individual properties** to some of the **largest portfolios** in the industry. We also successfully completed the sale of one individual property with a **record setting price** of \$31.5 million.

✓ **Unmatched Institutional Experience**

Whether it's tax reform impact in the 1980's, the RTC days of the 1990's, or the credit crunches of the 2000's, **we have seen it all and assisted institutional owners dispose of storage properties in all types of economic conditions**. Unlike many firms with new so-called "specialists" in the business, we have been in the storage industry exclusively for **decades** and intend to be here for decades to come.

✓ **Free Property Valuation**

To assist in decision making and analysis, we offer institutions free "no obligation" **professional evaluations of the true market value** of any storage property in California that may become institutionally owned. Please use this free service whenever needed for accurate valuations. Appraisers often ask us, you can too.

✓ **At Your Service**

If you have self storage assets in your portfolio, you should utilize the **best self storage experts with experience, expertise and results** unequaled in the industry. Call the **#1 Self Storage Broker in California**. We look forward to being of service!

**Dean L. Keller**

**[dkeller@bancapselfstorage.com](mailto:dkeller@bancapselfstorage.com)**

**[www.bancapselfstorage.com](http://www.bancapselfstorage.com)**

**(949) 888-5355**

**"#1 Self Storage Broker in California"**



## Portfolio Sales

*We excel in self storage portfolio sales and have the track record to prove it. The following are some examples of portfolio sales we have been involved in.*

### **A-American Portfolio**

*Over Fifty (50+) Properties  
Multi-State Portfolio of Top Ten Self Storage Operator  
Approximate Value of Nearly \$200 million*

### **Instorage Portfolio**

*Twenty-two (22) Properties  
Locations in Los Angeles, Orange and Riverside Counties  
Approximate Value \$75-\$80 million*

### **Nicol Investment Company Portfolio**

*Six (6) Properties  
Locations in Northern & Southern California  
Approximate Value - \$55-\$65 million*

### **Crocker's Lockers Portfolio**

*Ten (10) Properties  
Locations in Northern California coastal areas  
Approximate Value - confidential*

### **Assured Mini Storage Portfolio**

*Seven (7) Properties  
Locations throughout Southern California  
Approximate Value \$20 million*

### **Mini Space Portfolio**

*Five (5) Properties  
Locations in Riverside and San Bernardino Counties  
Approximate Value \$10-\$15 million*

## Lender Foreclosures

*No other firm has sold more foreclosed self storage properties in California. The following is a partial listing of completed sales of lender foreclosed properties.*

- |                  |               |
|------------------|---------------|
| • Anaheim        | • Long Beach  |
| • Cathedral City | • Inglewood   |
| • Torrance       | • Cypress     |
| • Los Angeles    | • Harbor City |
| • Burbank        | • Hesperia    |
| • Inglewood      | • El Cajon    |
| • El Monte       | • Los Angeles |
| • Santa Ana      | • Palmdale    |
| • Lancaster      | • Victorville |
| • Moorpark       | • Costa Mesa  |

### **Resolution Trust Corporation (RTC)**

*Although all the properties were listed with a larger national firm, Bancap Self Storage Group represented the buyers on more sales of RTC-owned self storage properties in California than any other broker - including the national firm that acted as the listing broker.*



# **BANCAP**

Bancap Self Storage Group, Inc.

# Northern California Sales

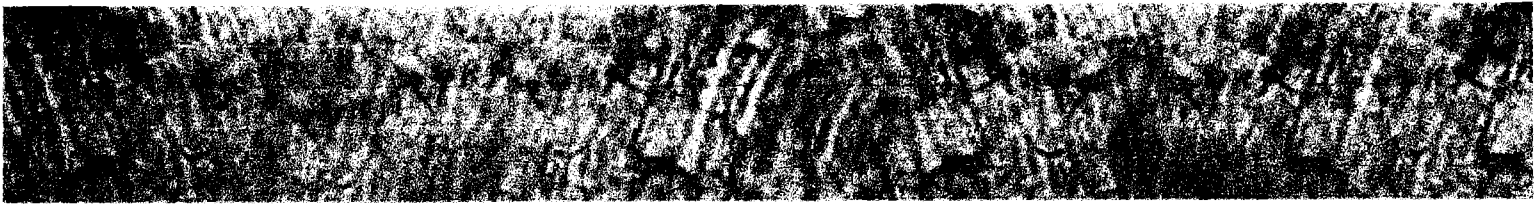
Bancap Self Storage Group has brokered more self storage properties in California than all other competing brokers combined. The following is a partial summary of completed transactions.

<b>Sacramento</b>	<b>Ceres</b>	<b>Marina</b>	<b>Orland</b>	<b>Rohnert Park</b>
<b>Ripon</b>	<b>North Highlands</b>	<b>Sacramento</b>	<b>Manteca</b>	<b>Sacramento</b>
<b>San Jose</b>	<b>San Rafael</b>	<b>Fairfield</b>	<b>Galt</b>	<b>Los Gatos</b>
<b>Los Gatos</b>	<b>Salida</b>	<b>Sacramento</b>	<b>Valley Springs</b>	<b>Sacramento</b>
<b>Rohnert Park</b>	<b>Woodland</b>	<b>Rancho Cordova</b>	<b>Millbrae</b>	<b>Oakland</b>
<b>Benicia</b>	<b>West Sacramento</b>	<b>Pleasanton</b>	<b>Sacramento</b>	<b>Red Bluff</b>
<b>Sacramento</b>	<b>Folsom</b>	<b>Stockton</b>	<b>Concord</b>	<b>Campbell</b>
<b>Pleasanton</b>	<b>Hayward</b>	<b>Elk Grove</b>	<b>Salinas</b>	<b>Sacramento</b>
<b>Santa Rosa</b>	<b>Marina</b>	<b>Alameda</b>	<b>North Highlands</b>	<b>Novato</b>
			<b>Elk Grove</b>	<b>Daly City</b>
			<b>Santa Rosa</b>	<b>San Francisco</b>
			<b>Tracy</b>	<b>Napa</b>
			<b>Fresno</b>	<b>Los Banos</b>
			<b>Benicia</b>	<b>Tracy</b>
			<b>Oakland</b>	<b>Concord</b>
			<b>San Ramon</b>	<b>Dixon</b>
			<b>Galt</b>	<b>Oakland</b>
			<b>Vallejo</b>	<b>Fairfield</b>
			<b>Forestville</b>	<b>Martinez</b>
			<b>Hollister</b>	<b>Galt</b>
			<b>Sand City</b>	<b>Oakley</b>
			<b>Salinas</b>	<b>San Ramon</b>
			<b>San Jose</b>	<b>Oakland</b>
			<b>Watsonville</b>	<b>Pacheco</b>
			<b>Sacramento</b>	<b>Folsom</b>
			<b>Concord</b>	<b>Sacramento</b>
			<b>Vallejo</b>	<b>Sand City</b>
			<b>Pittsburg</b>	<b>Aptos</b>
			<b>Concord</b>	<b>Santa Cruz</b>
			<b>Watsonville</b>	<b>Scotts Valley</b>
			<b>San Jose</b>	<b>Palo Alto</b>
			<b>Monterey</b>	<b>Santa Clara</b>
			<b>Santa Cruz</b>	<b>Monterey</b>
			<b>Campbell</b>	<b>Pittsburg</b>

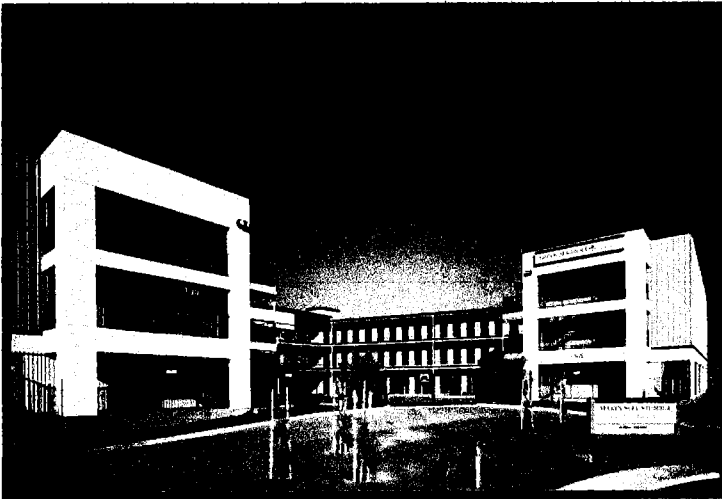
\* Partial List







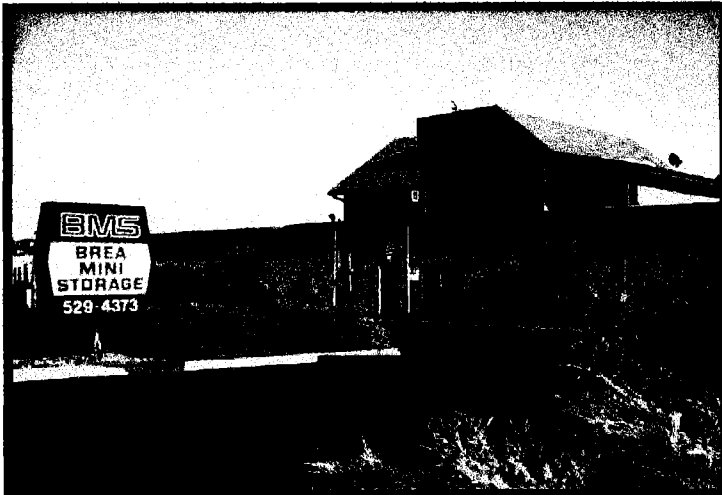
## Examples of Recent Sales *(Continued)*



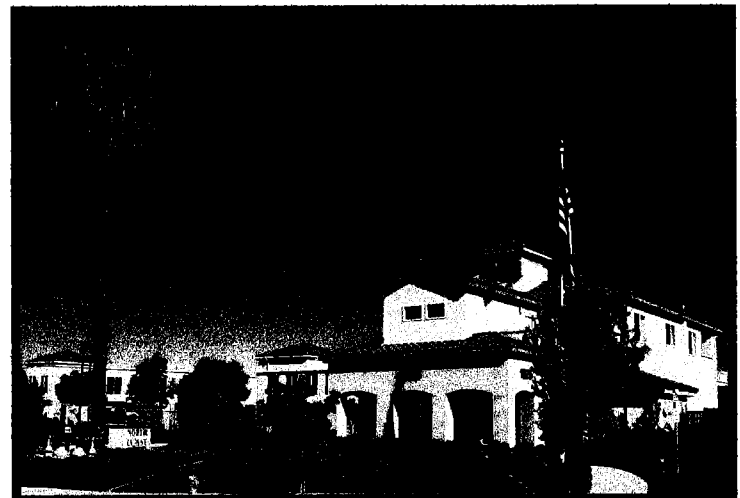
**Marin Self Storage & Wine Vaults – San Rafael, CA**  
*Approximate Price: \$8,200,000 / Represented buyer.*  
*Private investor sale to another private investor*



**Stor-It of Los Gatos – Los Gatos, California**  
*Approximate Price: \$11,000,000 / Represented both parties.*  
*Two small properties located in very high end market.*



**Brea Mini Storage – Brea, California**  
*Approximate Price: \$9,000,000 / Represented both parties.*  
*Family owned property sold to regional owner/operator.*



**Vista Self Storage – Vista, California**  
*Approximate Price: \$18,000,000 / Represented both parties.*  
*Part of investment company portfolio sale to national REIT*

## Partial Client List

*The following companies and/or their related entities represent a partial listing of some of our better known clients. References are available upon request.*

- |                            |                           |                           |
|----------------------------|---------------------------|---------------------------|
| • A-American Self Storage  | • Assured Mini Storage    | • A-1 Self Storage        |
| • Bay Area Self Storage    | • Central Self Storage    | • Extra Space Storage     |
| • Mini U Storage           | • Public Storage          | • Security Public Storage |
| • Shurgard Storage Centers | • So Cal Self Storage     | • Storage USA             |
| • StorQuest Self Storage   | • Strategic Storage Trust | • U-Store-It / CubeSmart  |